



July 27, 2007

Hon. Steven W. Williams, Secretary  
Postal Rate Commission  
901 New York Avenue NW, Suite 200  
Washington, D.C. 20268-0001

Dear Mr. Williams:

In connection with the Commission's rules pertaining to periodic reports, 39 C.F.R. § 3001.102 (2007), I have enclosed the following materials on computer disk:

- (1) FY 2006 Cost and Revenue Analysis (CRA) report, PRC Version (Excel format).
- (2) FY 2006 CRA Model, USPS and PRC versions (Cost Matrices, Reports, Control File & Changes).
- (3) Transportation Excel Files:

Alaska Air Adjustment, FY 2004 (This file contains the calculation of the FY 2004 Alaska Air Adjustment Factor. The same factor was used in Fiscal Year 2006).

A word Document with a brief explanation of Alaska Air Adjustment.

AKHWY2006: (This file consists of the AP1-06.xls through AP13-06 source data for Alaska highway costs. It consolidates all the AP Alaska files in one place for aggregation to quarters.)

- (4) FY 2006 "B" workpapers, USPS and PRC versions.

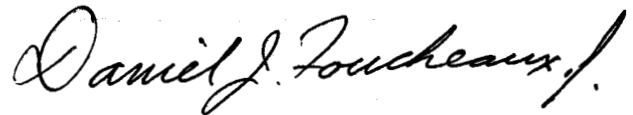
- (5) Cost Segment 3 accrued cost pools, USPS and PRC versions (econometric volume variable cost pools & FY 2006 changes).
- (6) Equipment and facility-related costs, USPS and PRC versions.

Please note that the CRA report enclosed corrects two formatting errors contained in the CRA report (PRC version) transmitted on March 15, 2007, pursuant to Rule 103 (39 C.F.R. 3001.103):

- (1) the product-specific costs in the original report were formatted in thousands, rather than millions in the corrected report; and
- (2) the Postal Service Mail costs in the original report were included in Total Attributable Costs and should have been included in All Other Costs (i.e. Institutional Costs), as in the corrected report.

We will be happy to answer any questions regarding these materials.

Sincerely,

A handwritten signature in cursive script that reads "Daniel J. Foucheaux, Jr.".

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

Enclosure

cc: Ms. Taylor